



MCB-ARIF HABIB  
Savings and Investments Limited

AM2  
by NACFA

# HALF YEAR REPORT

DECEMBER  
**2019**  
(UNAUDITED)

Half Year Report for Funds Under Management of  
MCB-Arif Habib Savings and Investments Limited

# **PAKISTAN PENSION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating &amp; Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depositary Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited Bank Alfalah Limited Allied Bank Limited Silk Bank Limited Habib Bank Limited National Bank of Pakistan Askari Bank Limited JS Bank Limited Zarai Taraqiati Bank Limited MCB Islamic Bank Limited Faysal Bank Limited	
<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes Sidat Hyder</b> Chartered Accountants Progressive Plaza, Beaumont Road, P.O. Box 15541 Karachi, Sindh-75530, Pakistan.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM2++</b> Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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Dear Investor,

On behalf of the Board of Directors, We are pleased to present **Pakistan Pension Fund** accounts review for the half year ended December 31, 2019.

## ECONOMY AND MONEY MARKET OVERVIEW

Stabilization measures pursued by the government have started to bear fruits as the Balance of Payment situation continues to improve. The Current Account Deficit (CAD) contracted by ~75% on a Year on Year (YoY) basis to USD 2.1 billion in the first half of FY20. Imports of goods and services continued to nose dive as it compressed by 18.5% while exports of goods and services increased by 4.8% in the first half of fiscal year. Remittances provided a moderate buffer, increasing by 3.3% to USD 11.4 billion during the period. Foreign exchange reserves increased by a massive USD 4.1 billion during the period as Pakistan received flows from IMF and multilateral institutions, while the outflow from CAD remained restrained.

CPI was rebased with a new base of 2015-16 and the average for newly rebased CPI clocked in at 11.1% YoY for the first half of FY20. Food inflation took a toll on the overall CPI, as it increased by 14.9% during the period. Major hit on food inflation surfaced from a hike in the prices of perishable food items after imports from India was banned. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 8.1% for the period. All the monetary policy meetings held during period kept interest rates on a status quo citing near term inflation as the major concern.

The outlook on GDP growth ranged in between 2.5% to 3.5% according to various institutions. However, as of late it was expected to remain on the lower side as weak production outlook of major crops (Cotton, Wheat and Sugar) along with a lower industrial growth arising out of weaker than expected LSM growth is expected to take a dent on the overall growth. Large Scale Manufacturing as anticipated continued on a downward trajectory as the import based consumption demand evaporated. LSM posted a decline of ~5.9% in the first five months of FY20, with most of the decline emanating from cyclical sectors. Both Autos and Steel manufacturing saw demand compression of 37.7% and 13.8% respectively.

Provisional number of tax collection were also encouraging as FBR collected PKR 2,080 billion in the first half of the current fiscal year, which was 17% higher compared to the corresponding period of the last year. Dissecting the performance in terms of domestic and international collection, the performance was even better as domestic tax revenue grew by 28% YoY. The target for primary deficit is also expected to be met as the government had generated significant buffer during the first quarter.

During the period under review, yield curve shifted downwards owing to massive demand for longer tenor bonds as market participants drew comfort from stabilization measures and anticipated outlook of lower inflation. Alongside, participation from foreign investors at such an unprecedented scale for the first time in the local bond market brought in extra pool of liquidity pushing the yields down. 3 Year bonds eased off by 221 bps while the longer tenor (10Y) bonds eased off by nearly ~300 bps during the first half. While, the State Bank of Pakistan (SBP) left the Policy Rate unchanged at 13.25% during the all monetary policies held in the quarter, citing the outlook on near term inflation however, it vowed to bring down inflation to 5-7% over the course of next 2 years.

## EQUITIES MARKET OVERVIEW

While fiscal year 2020 had a dismal start during the first quarter, it sharply rebounded during the second quarter posting an astounding return of 27.0% during the second quarter, taking the cumulative return of first half to 20.2%. Foreigners after an extended period turned out to be net buyers, whilst accumulating a moderate USD 8 million during the first half. Individuals turned out to be major buyers during the period taking a exposure of USD 140 million in equities, while commercial banks and mutual funds turned out to be net sellers reducing their exposure by USD 91 million and USD 53 million respectively. Volumes and values traded averaged around 180.49 mn shares/ PKR 6.54 bn during the period.

Confidence in the risk assets was rejuvenated after data on external sector pointed out towards stability while currency appreciated by ~6% from its lows. Reversal of long term bond yields also proved to be a major catalyst for bull run in the equity markets. Bond markets rallied as the outlook on inflation improved after a stable currency and perhaps as the central bank vowed to fight inflation and bring it in a range of 5-7% in next 24 months. Most of the cyclicals had a stellar performance during the first half as cheap valuations along with a better medium term growth outlook provided the impetus. Along with that, appreciation in local currency for the first time after several years provided the much required boost to cyclicals. Engineering & Pharmaceutical sectors delivered significant outperformance (~43/36% respectively) during the period. While, E&Ps, Fertilizer, & Banks underperformed the market generating returns of 19%/17% and 12% respectively.

# REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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## FUND PERFORMANCE

### Debt Fund

The debt sub-fund generated an annualized return of 14.54% during the period under review. The fund's exposure towards PIBs increased to 32.4% and exposure in T-bills decreased to 1.5% at period end.

The Net Assets of the Fund as at December 31, 2019 stood at Rs. 541.87 million as compared to Rs. 520.53 million as at June 30, 2019 registering an increase of 4.10%.

The Net Asset Value (NAV) per unit as at December 31, 2019 was Rs. 276.30 as compared to opening NAV of Rs. 257.43 per unit as at June 30, 2019 registering an increase of Rs. 18.87 per unit.

### Money Market Fund

The money market sub-fund generated a return of 11.93% during the period. The fund's exposure in T-bills increased to 59.5% from 8.7% while exposure in cash decreased from 55.7% to 40.0%.

The Net Assets of the Fund as at December 31, 2019 stood at Rs. 406.08 million as compared to Rs. 317.02 million as at June 30, 2019 registering an increase of 28.09%.

The Net Asset Value (NAV) per unit as at December 31, 2019 was Rs. 250.98 as compared to opening NAV of Rs. 236.74 per unit as at June 30, 2019 registering an increase of Rs. 14.24 per unit.

### Equity Fund

The Equity sub-fund generated a return of 18.43% against the KSE-100 return of 20.16%. The sub-fund increased its overall equity exposure from 92.0% to 97.9%. Sector-wise, the sub-fund mainly held exposure in Commercial Banks and Oil & Gas Exploration sector.

The Net Assets of the Fund as at December 31, 2019 stood at Rs. 812.82 million as compared to Rs. 721.45 million as at June 30, 2019 registering an increase of 12.66%.

The Net Asset Value (NAV) per unit as at December 31, 2019 was Rs. 511.98 as compared to opening NAV of Rs. 432.30 per unit as at June 30, 2019 registering an increase of Rs. 79.68 per unit.

## FUTURE OUTLOOK

Policy adjustments by the central bank will result in macroeconomic consolidation thus restricting the economic growth in low single digits for the current year. IMF forecasts Pakistan GDP growth to slow down to 2.5% in FY20, in the wake of tightening policies pursued by the government. Industrial growth will remain muted particularly for the import-driven consumption based sectors. However, export driven industrial companies can provide some respite as the government has incentivized the above, while increased power supply also eliminates bottleneck for them.

Balance of Payment worries are over for now as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. Our forecast at very conservative assumptions is that CAD will settle at 2.3% of GDP. We have assumed crude oil prices at USD 70/BBL for the remaining part of the year, which are currently hovering near USD 60/BBL. After signing up for an IMF program, Pakistan will be able to finance its gross finance requirements by tapping into international avenues. Saudi deferred oil facility will also provide a short term buffer to foreign exchange reserves. We expect foreign exchange reserves to increase to USD ~14 billion by the end of the current fiscal year. With PKR aligned to its equilibrium levels (Oct'19 REER at 95.9) and current account deficit in a sustainable range, PKR should now depreciate nominally based on its historical average.

CPI is expected to average ~11.9% in the current fiscal year owing to lagged impact of currency depreciation along with a rise in food inflation. However, with a stable currency and high base effect, we expect headline inflation to ease off in the next year and decline to an average of ~8.8%. Risk to our expectations are any adverse increase in international commodity prices along with more than expected adjustment in utility tariffs. We believe current real interest rate is sufficient to cater for the near term inflation. However, given the room in real interest rates going forward, we do not rule out monetary easing at the start of the next fiscal year. Based on our outlook of inflation, we expect interest rates to ease off by 150-200 bps in the next 12 months.

## REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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On the fiscal side, the government is aiming to limit fiscal deficit at 7.3% of GDP for the year. While the final target for fiscal deficit can evolve, nevertheless, it has to meet the primary condition of IMF for limiting the primary deficit at 0.6% of GDP. For this purpose, FBR is targeting a revised tax collection of PKR 5.2 trillion (up 30% YoY). The budget presented in the parliament proposed PKR 600-700 billion of tax measures, while the remaining amount was kept contingent on FBR efforts and economic growth. On the expenditure side, the government is aiming for austerity measures on the current expenditure side, however, it is aiming for an expansionary Public Sector Development Program (PSDP) of PKR 1.6 trillion (up 40% YoY). We believe the tax collection target to be highly optimistic and expect a net shortfall of PKR ~300-400 billion. The result of provisional tax collection for 1H assert our view as there was a shortfall of PKR 120 billion during the period. Resultantly, the shortfall in tax collection will trickle down to a lower development spending.

From the capital market perspective, we believe investor confidence should renew towards risk assets as macroeconomic stability will be cherished after a bout of volatile years. Equity market has still a lot to offer despite the recent bull run (up 40%+ since the trough). Reversal in monetary policy will be a key theme to eye in CY20 as slowdown in inflation will provide much needed room to central bank to cut down the interest rates. We foresee interest rates easing of 150-200 bps in the next 12 months, albeit majority of them coming in the second half of the calendar year. Double digit earnings growth and cheap valuations will drive the total returns of equities. Generally, earnings rebound sharply after an economic downturn as equities tend to exhibit inflation hedging behavior. During the last few years earnings growth has not caught up with the nominal GDP growth, which generally tends to revert whenever the difference widens. Hence, we expect earnings growth to remain in double digits over the span of next few years, a key reason behind our optimism for equities.

We believe a micro view of sectors and stock will remain more important this year and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have already priced in some of the expected monetary easing during the course of year. Further capital gains are contingent on earlier than expected reversal in monetary cycle along with quantum of interest rate cuts. Liquidity in the monetary system will also define yield on bonds since the government has liberalized its sources of financing, particularly opening avenues from external sources.

### ELECTION OF THE BOARD OF DIRECTORS

On February 06, 2020, election of directors of the Pension Fund Manager was held in an extra ordinary general meeting. Mian Muhammad Mansha and Mr. Samad A. Habib have retired from the Board and Mr. Kashif A. Habib and Ms. Mavra Adil Khan have joined the Company as new directors. Details of the new Board is given in Company Introduction. The approval of the Securities and Exchange Commission of Pakistan is pending as on the date of the Directors' Report.

### ACKNOWLEDGMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



**Muhammad Saqib Saleem**  
Chief Executive Officer  
February 21, 2020

## ڈائریکٹرز رپورٹ

مالیاتی پالیسی کی تقلیب ہوگا کیونکہ افراط زر میں کمی سے مرکزی بینک کو انٹریسٹ کی شرحوں میں کمی کرنے کے لیے مطلوبہ محرک فراہم ہوگا۔ ہم اگلے بارہ ماہ میں انٹریسٹ کی شرحوں میں 150 سے 200 بی پی ایس کی دیکھ رہے ہیں، اگرچہ اس کا زیادہ تر حصہ کیلنڈر سال (جنوری تا دسمبر) کے نصف آخر میں ظاہر ہوگا۔ دو اعداد پر مشتمل آمدنیاں اور کم قیمت قدر کا تعین ایکویٹیز کے مجموعی منافعوں کے لیے محرک ثابت ہوں گے۔ کسی معاشی سُست روی کے دور کے بعد عموماً آمدنیاں تیزی سے بڑھتی ہیں کیونکہ ایکویٹیز افراط زر سے تحفظ فراہم کرتی ہیں۔ گزشتہ کچھ برسوں کے دوران آمدنیوں کی ترقی جی ڈی پی کی برائے نام ترقی کے شانہ بشانہ بھی نہیں چل سکی ہے، جو عموماً فرق بڑھنے پر واپس لوٹتی ہے۔ چنانچہ اگلے پانچ برسوں کے دوران آمدنیوں میں ترقی دو اعداد پر برقرار رہنے کی توقع ہے جو ایکویٹیز سے متعلق ہماری رجائیت پسندی کی ایک کلیدی وجہ ہے۔

ہم سمجھتے ہیں کہ اس سال سیکٹرز اور اسٹاک کا خورد نظر یہ زیادہ اہمیت کا حامل رہے گا اور سرمایہ کاری کے انتخاب کے لیے ایسی کمپنیوں پر توجہ مرکوز ہونی چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح، اُن کمپنیوں کی جانب بھی توجہ مبذول ہونی چاہیے جن کی درمیانی میعاد کی آمدنی میں زبردست ترقی متوقع ہے۔ Debt حاملین کے لیے ہم توقع کرتے ہیں کہ Money مارکیٹ فنڈز پالیسی شرحوں کی عکاسی بلا رکاوٹ سال بھر جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز دوران سال پہلے ہی کچھ حد تک متوقع مالیاتی تسہیل میں کردار ادا کر چکے ہیں۔ کیپیٹل میں مزید منافعوں کا دار و مدار مالیاتی چکر میں متوقع سے قبل تقلیب کے ساتھ ساتھ انٹریسٹ کی شرحوں میں کمی کے حجم پر ہے۔ مالیاتی نظام میں نقدیت سے بھی بانڈز پر منافع کا تعین ہوگا کیونکہ حکومت نے رقم کی فراہمی کے اپنے ذرائع میں آسانیاں پیدا کی ہیں، خاص طور پر خارجی ذرائع سے مواقع میسر کر کے۔

### بورڈ آف ڈائریکٹرز کا انتخاب

06 فروری 2020ء کو ایک غیر معمولی عمومی اجلاس میں پینشن فنڈ منیجر کے ڈائریکٹرز کا انتخاب منعقد ہوا۔ میاں محمد منشاء اور جناب صدائے حبیب بورڈ سے ریٹائر ہو گئے ہیں اور جناب کاشف اے حبیب اور محترمہ ماوراء عادل خان کی کمپنی کے نئے ڈائریکٹرز کے طور پر تقرری ہوئی ہے۔ نئے بورڈ کی تفصیلات کمپنی کے تعارف میں دی گئی ہیں۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی منظوری ڈائریکٹرز رپورٹ کی تاریخ پر زیر التواء ہے۔

### اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے گراں قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں کی مسلسل معاونت اور پشت پناہی کے لئے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز مینجمنٹ ٹیم کی کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔

محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

21 فروری، 2020ء



## ڈائریکٹر رپورٹ

31 دسمبر 2019ء کو فنڈ کے net اثاثہ جات 812.82 ملین روپے تھے جو 30 جون 2019ء (721.45 ملین روپے) کے مقابلے میں 12.67 فیصد اضافہ ہے۔

31 دسمبر 2019ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 511.98 روپے تھی جو 30 جون 2019ء کی ابتدائی NAV (432.30 روپے) کے مقابلے میں 79.68 روپے فی یونٹ اضافہ ہے۔

### مستقبل کا منظر

مرکزی بینک کی طرف سے پالیسی میں ترمیمات کے نتیجے میں کلاں معاشیاتی استحکام ہوگا جس کے باعث موجودہ سال کے لیے معاشی ترقی چھوٹے اعداد تک محدود ہو جائے گی۔ آئی ایم ایف کی پیش گوئی کے مطابق حکومت کی اختیار کردہ تنگی پر مبنی پالیسیوں کے تناظر میں پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) کی ترقی مالی سال 20-2019ء میں سست روی کا شکار ہو کر 2.5 فیصد پر آجائے گی۔ صنعتی ترقی غیر فعال رہے گی، خاص طور پر درآمدات سے چلنے والے صرف پر مبنی شعبوں کے لیے۔ تاہم برآمدات سے چلنے والی صنعتی کمپنیاں کچھ سہولت فراہم کر سکتی ہیں کیونکہ حکومت نے ان کے لیے ترغیبات مقرر کی ہیں، جبکہ توانائی کی فراہمی میں اضافے سے بھی ان کمپنیوں کے لیے رکاوٹیں دور ہوتی ہیں۔

ادائیگی کے توازن کی پریشانیوں فی الوقت ختم ہو گئی ہیں کیونکہ سی اے ڈی مرکزی حکومت کے پالیسی اقدامات کے بعد معقول سطح تک آ گیا ہے۔ ہم بے حد محتاط مفروضوں کی بنیاد پر پیش گوئی کر سکتے ہیں کہ سی اے ڈی، جی ڈی پی کے 2.3 فیصد پر رک جائے گا۔ ہم نے خام تیل کی قیمتوں کو 70 ڈالر فی بی بی ایل کے قریب منڈا رہی ہیں۔ پاکستان ایک آئی ایم ایف پروگرام اختیار کرنے کے بعد بین الاقوامی ذرائع کو استعمال میں لا کر اپنی مجموعی مالیاتی ضروریات پوری کر سکے گا۔ سعودی تیل کی ملتی شدہ سہولت سے بھی زرمبادلہ کے ذخائر کو مختصر المیعاد سہارا فراہم ہوگا۔ موجودہ مالی سال کے اختتام تک زرمبادلہ کے ذخائر کے حوالے سے توقع ہے کہ وہ بڑھ کر 14 بلین ڈالر تک پہنچ جائیں گے۔ پاکستانی روپیہ اپنے توازن کی سطحوں سے ہم آہنگ ہے (اکتوبر 2019ء REER 95.9 فیصد پر) اور سی اے ڈی قابل بقاء حد میں ہے، چنانچہ پاکستانی روپے کی قدر میں اب اس کے تاریخی اوسط کی بنیاد پر معمولی کمی ہونی چاہیے۔

موجودہ مالی سال کے لیے سی پی آئی کا متوقع اوسط 11.9 فیصد ہوگا جس کا سبب روپے کی قدر کی سست رفتار اثر پذیریری اور اشیائے خورد و نوش کے افراط زر میں اضافہ ہے۔ تاہم مستحکم روپے اور بلند base کے اثر کے ساتھ ہمیں اُمید ہے کہ مجموعی افراط زر کا اوسط اگلے سال کم ہو کر 8.8 فیصد ہو جائے گا۔ بین الاقوامی اشیاء کی قیمتوں میں کسی منفی اضافے کے ساتھ ساتھ یوٹیلٹی کی محصولات وغیرہ میں متوقع سے زیادہ ترمیمات سے ہماری توقعات کو خطرہ لاحق ہو سکتا ہے۔ ہم سمجھتے ہیں کہ انٹریسٹ کی موجودہ حقیقی شرح قریب المیعاد افراط زر سے نمٹنے کے لیے کافی ہے۔ تاہم حقیقی شرح میں اضافے کی گنجائش کو دیکھتے ہوئے اگلے مالی سال کے آغاز میں مالیاتی تسہیل کا امکان بعید نہیں ہے۔ افراط زر سے متعلق ہمارے پیش بینی کی بنیاد پر انٹریسٹ کی شرحوں میں اگلے بارہ ماہ میں 150 سے 200 بی پی ایل تک کی کمی کی اُمید ہے۔

مالیاتی جہت میں حکومت زیر بحث سال کے لیے مالیاتی خسارے کو جی ڈی پی کے 7.3 فیصد تک محدود کرنے کے لیے کوشاں ہے۔ اگرچہ مالیاتی خسارے کا حتمی ہدف ارتقاء پذیر ہونے کے باعث تبدیل ہو سکتا ہے لیکن پرائمری خسارے کو جی ڈی پی کے 0.6 فیصد پر محدود کر دینے کی آئی ایم کی بنیادی شرط کو پورا کرنا لازمی ہے۔ اس مقصد کے لیے ایف بی آر 5.5 ٹریلین روپے (30 فیصد سال در سال زیادہ) ٹیکس جمع کرنے کے لیے مصروف عمل ہے۔ پارلیمنٹ میں پیش کردہ بجٹ میں 600 سے 700 بلین روپے ٹیکس کے اقدامات کی تجویز دی گئی جبکہ باقی مقدار کو ایف بی آر کی کوششوں اور معاشی ترقی سے مشروط کیا گیا۔ اخراجات کی جہت میں حکومت کرنٹ اخراجات کے حوالے سے سادگی کے اقدامات پر توجہ دے رہی ہے تاہم 1.5 ٹریلین روپے (40 فیصد سال در سال زیادہ) کا ایک توسیعی پبلک سیکٹر ڈولپمنٹ پروگرام (پی ایس ڈی پی) کے لیے بھی کوشاں ہے۔ ہم ٹیکس وصولی کے ہدف کو بے حد رجائیت پسند سمجھتے ہیں لیکن ہمیں لگتا ہے کہ اس کے حصول میں 300 سے 400 بلین روپے کی کمی آئے گی۔ نصف اول میں عارضی ٹیکس وصولی کے نتیجے سے ہمارے نظریے کی توثیق ہوتی ہے کیونکہ دوران سہ ماہی 120 بلین ڈالر کم کی وصولی ہوئی جس کے نتیجے میں ترقیاتی اقدامات کے لیے بھی کم خرچ کیا جائے گا۔

کمپیٹل مارکیٹ کے نظریے سے ہم سمجھتے ہیں کہ خطرات کے حامل اثاثہ جات میں سرمایہ کاروں کا اعتماد بحال ہونا چاہیے کیونکہ کئی برسوں کی عدم یقینی کے بعد حاصل ہونے والے کلاں معاشیاتی استحکام کا خیر مقدم کیا جائے گا۔ ایکویٹی مارکیٹ حالیہ bull run (40 فیصد اضافے) کے باوجود بہت استعداد کی حامل ہے۔ موجودہ سال 2020ء میں اہم ترین موضوع

## ڈائریکٹر رپورٹ

ہوئے جن کی شمولیت کم ہو کر بالترتیب 91 ملین ڈالر اور 53 ملین ڈالر ہو گئی۔ دورانِ مدت تجارت میں لگائے گئے حجم اور قدر تقریباً 180.49 ملین حصص / 6.54 روپے کی اوسط تک پہنچے۔

خارجی شعبے کے اعداد و شمار نے استحکام کی طرف اشارہ کیا جس کی بدولت خطرات پر مبنی اثاثہ جات میں اعتماد بحال ہوا جبکہ روپے کی قدر گزشتہ پست سطح سے اٹھ کر 6 فیصد تک پہنچ سکی۔ طویل المیعاد بانڈز کے منافعوں میں کمی بھی ایکوٹی مارکیٹس میں حصص کی قیمتوں میں اضافے (bull run) کے لیے بڑا محرک ثابت ہوئی۔

روپے میں استحکام کے باعث، اور شاید اس وجہ سے بھی کہ مرکزی بینک نے افراط زر کا مقابلہ کر کے اسے اگلے چوبیس ماہ میں 5 سے 7 فیصد تک لانے کے عہد کیا ہے، افراط زر کی صورتحال میں متوقع بہتری ہوئی اور اس کے نتیجے میں بانڈ مارکیٹس میں تیز رفتار ترقی ہوئی۔ نصف اوّل کے دوران اکثر گردشیں شعبوں کی کارکردگی شاندار رہی کیونکہ کم قیمت قدر کے تعین کے ساتھ ساتھ درمیانی مدت کی متوقع ترقی نے محرک فراہم کیا۔ مزید برآں، متعدد برسوں بعد پہلی مرتبہ روپے کی قدر میں اضافے سے گردشیں شعبوں کو مطلوبہ افزودگی فراہم ہوئی۔ انجینیئرنگ اور فارماسیوٹیکلز شعبوں نے دورانِ مدت قابل ذکر بہتر کارکردگی کا مظاہرہ کیا (بالترتیب 43 فیصد اور 36 فیصد) جبکہ دریافت اور پیداوار (ایکسپلوریشن اینڈ پروڈکشن: ای اینڈ پی)، کھاد اور بینکوں کے شعبوں نے بالترتیب 19 فیصد، 17 فیصد اور 12 فیصد منافع حاصل کر کے مارکیٹ کے مقابلے میں کم تر کارکردگی کا مظاہرہ کیا۔

## فنڈ کی کارکردگی

### Debt فنڈ

زیر جائزہ مدت کے دوران Debt ذیلی فنڈ کا ایک سال پر محیط منافع 14.54 فیصد تھا۔ ذیلی فنڈ کی پاکستان انویسٹمنٹ بانڈز میں شمولیت بڑھ کر 32.4 فیصد ہو گئی جبکہ ٹریڈری بلز میں شمولیت کم ہو کر 1.5 فیصد رہ گئی۔

31 دسمبر 2019ء کو فنڈ کے net اثاثہ جات 541.87 ملین روپے تھے جو 30 جون 2019ء (520.53 ملین روپے) کے مقابلے میں 4.10 فیصد اضافہ ہے۔ 31 دسمبر 2019ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 276.30 روپے تھی جو 30 جون 2019ء کی ابتدائی NAV (257.43 روپے) کے مقابلے میں 18.87 روپے فی یونٹ اضافہ ہے۔

### Money مارکیٹ فنڈ

دورانِ مدت Money مارکیٹ ذیلی فنڈ نے 11.93 فیصد منافع حاصل کیا۔ ذیلی فنڈ کی ٹریڈری بلز میں شمولیت 8.7 فیصد سے بڑھ کر 59.5 فیصد ہو گئی جبکہ نقد میں شمولیت 55.7 فیصد سے کم ہو کر 40.0 فیصد رہ گئی۔

31 دسمبر 2019ء کو فنڈ کے net اثاثہ جات 406.08 ملین روپے تھے جو 30 جون 2019ء (317.02 ملین روپے) کے مقابلے میں 28.09 فیصد اضافہ ہے۔

31 دسمبر 2019ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 250.98 روپے تھی جو 30 جون 2019ء کی ابتدائی NAV (236.74 روپے) کے مقابلے میں 14.24 روپے فی یونٹ اضافہ ہے۔

## ایکوٹی فنڈ

ایکوٹی ذیلی فنڈ نے 18.43 فیصد منافع حاصل کیا جبکہ KSE-100 کا منافع 20.16 فیصد تھا۔ ذیلی فنڈ کی ایکویٹیز میں مجموعی شمولیت کو 92.0 فیصد سے بڑھا کر 97.9 فیصد کر دیا گیا۔ سیکٹر کے اعتبار سے ذیلی فنڈ کی زیادہ تر شمولیت کمرشل بینکوں اور تیل اور گیس کی دریافت کے سیکٹر میں تھی۔

پاکستان پینشن فنڈ کے بورڈ آف ڈائریکٹر کی جانب سے 31 دسمبر 2019ء کو ختم ہونے والی سہ ماہی کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار زر کا مجموعی جائزہ

استحکام کے حکومتی اقدامات کے ثمرات ظاہر ہونا شروع ہو گئے ہیں کیونکہ ادائیگی کے توازن کی صورتحال میں بہتری جاری ہے۔ مالی سال ۲۰۲۰ء کے نصف اول میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) سال در سال (YoY) بنیاد پر 75 فیصد کم ہو کر 2.1 بلین ڈالر ہو گیا۔ اشیاء اور مصنوعات کی درآمدات میں کمی کا سلسلہ جاری رہا اور 18.5 فیصد کمی ہوئی جبکہ اشیاء اور مصنوعات کی برآمدات میں 4.8 فیصد اضافہ ہوا۔ ترسیلات زر 3.3 فیصد بڑھ کر 11.4 بلین ڈالر ہو گئیں جس سے معتدل رکاوٹ فراہم ہوئی۔ غیر ملکی زرمبادلہ کے ذخائر میں 4.1 بلین ڈالر کا خطیر اضافہ ہوا کیونکہ پاکستان کو آئی ایم ایف اور کثیر الجہتی اداروں سے رقوم موصول ہوئیں، جبکہ سی اے ڈی کے ذریعے رقوم کے خروج کا سلسلہ محدود رہا۔ صارفی قیمت کے انڈیکس (کنز یومر پرائس انڈیکس: سی پی آئی) کو سال ۲۰۱۵ء اور ۲۰۱۶ء والی بنیاد پر دوبارہ مقرر کیا گیا اور مالی سال ۲۰۲۰ء کے نصف اول کے لیے نئی بنیاد پر مقرر کردہ سی پی آئی کا اوسط 11.1 فیصد سال در سال بنا۔ اشیاء خورد و نوش کے افراط زر میں دوران مدت 14.9 فیصد اضافہ ہوا اور اس نے مجموعی سی پی آئی کو متاثر کیا۔ اشیاء خورد و نوش کے افراط زر کی سب سے بڑی وجہ بھارت سے درآمدات پر پابندی کے بعد جلد خراب ہو جانے والی اشیاء خورد و نوش کی قیمتوں میں اضافہ ہے۔ بہر حال اشیاء خورد و نوش اور توانائی کے علاوہ پیمائش کردہ بنیادی افراط زر پھر بھی قابو میں تھی اور مذکورہ مدت کے لیے اس کا اوسط 8.1 فیصد تھا۔ دوران مدت ہونے والے تمام مالیاتی اجلاسوں میں انٹریسٹ کی شرحوں کو برقرار رکھا گیا اور مستقبل قریب میں متوقع افراط زر کو ایک بڑا مسئلہ قرار دیا گیا۔

جی ڈی پی میں متوقع ترقی مختلف اداروں کے مطابق 2.5 سے 3 فیصد تھی، تاہم حالیہ مدت میں اہم فصلوں (کپاس، گندم اور چینی) کی کمزور متوقع ترقی کے باعث جی ڈی پی میں ترقی بھی پست رہنے کا امکان ہے۔ علاوہ ازیں، بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) میں متوقع سے کم ترقی کے باعث کمزور صنعتی ترقی سے مجموعی ترقی کے متاثر ہونے کا امکان ہے۔ مزید برآں، درآمدات پر پابندی کھیت کی طلب میں بتدریج کمی کے باعث ایل ایس ایم میں کمی کا سلسلہ جاری رہنے کا امکان ہے۔ مالی سال ۲۰۲۰ء کے ابتدائی پانچ ماہ کے دوران ایل ایس ایم میں 5.9 فیصد کمی ہوئی جس میں سے اکثر کا تعلق گردش شعبوں سے تھا۔ آٹو ز اور اسٹیل مینوفیکچرنگ میں طلب میں بالترتیب 37.7 فیصد اور 13.8 فیصد کمی ہوئی۔

ٹیکس وصولی کی عارضی تعداد بھی حوصلہ افزا تھی۔ موجودہ مالی سال کے نصف اول میں فیڈرل بورڈ آف ریونیو (ایف بی آر) نے 2,080 بلین روپے جمع کیے جو گزشتہ سال کی مماثل مدت سے 17 فیصد زیادہ ہے۔ ملکی اور بین الاقوامی وصولی کو علیحدہ علیحدہ دیکھا جائے تو کارکردگی مزید بہتر ہے کیونکہ ملکی سطح پر آمدنی میں 28 فیصد سال در سال اضافہ ہوا۔ پرائمری خسارے کا ہدف بھی پورا ہونے کا امکان ہے کیونکہ حکومت نے پہلی سہ ماہی کے دوران مطلوبہ رکاوٹ پیدا کر دی تھی۔

زیر جائزہ مدت کے دوران طویل تر میعاد کے بانڈز کی خطیر طلب کے باعث پیداواری ختم میں جھکاؤ آیا کیونکہ مارکیٹ کے فریق استحکام کے اقدامات سے مطمئن ہوئے اور افراط زر میں کمی کا امکان پیدا ہوا۔ ساتھ ساتھ مقامی بانڈ مارکیٹ میں پہلی مرتبہ غیر ملکی سرمایہ کاروں کی اتنی بڑے پیمانے پر شرکت کی بدولت کثیر ل نقدی آمد ہوئی جس کے باعث پیداوار میں کمی ہوئی۔ نصف اول کے دوران تین سالہ بانڈز میں 221 بیسیس پوائنٹس (بی پی ایس) جبکہ طویل تر میعاد کے (دس سالہ) بانڈز میں تقریباً 300 بی پی ایس کی کمی ہوئی۔ اگرچہ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے مذکورہ سہ ماہی میں منعقدہ تمام پالیسی اجلاسوں میں مستقبل قریب کی افراط زر کا حوالہ دیتے ہوئے پالیسی کی شرح کو غیر تبدیل شدہ رکھا لیکن اگلے دو برسوں کے دوران افراط زر میں 5 تا 7 فیصد کمی کا عہد کیا۔

### ایکویٹیز مارکیٹ کا مجموعی جائزہ

اگرچہ مالی سال 2020ء کا آغاز پہلی سہ ماہی کے دوران مایوس کن تھا لیکن دوسری سہ ماہی کے دوران اس نے تیزی سے رخ بدلا اور 27 فیصد کا حیران کن منافع حاصل کیا جس سے نصف اول کا مجموعی منافع 20.2 فیصد تک پہنچ گیا۔ طویل مدت بعد غمگینی افراد net خریدار ثابت ہوئے اور نصف اول کے دوران 8 ملین ڈالر کی معتدل مقدار جمع ہوئی۔ دوران مدت افراد (بالمقابل ادارے) بڑے خریدار ثابت ہوئے اور ایکویٹیز میں 140 ملین ڈالر کی شمولیت ہوئی جبکہ کمرشل بینک اور میوچل فنڈز net فروخت کار ثابت

# Auditor's Report to the Participants on Review of Condensed Interim Financial Statements



EY Ford Rhodes  
Chartered Accountants  
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Pakistan

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## INDEPENDENT AUDITORS' REVIEW REPORT

To the Participants of Pakistan Pension Fund

Report on review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of Pakistan Pension Fund (the Fund) as at 31 December 2019, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Movement in Participants' Sub-funds for the period then ended together with the notes forming part thereof (here-in-after referred to as the "interim financial statements"). Pension Fund Manager is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2019.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A member firm of Ernst & Young Global Limited

## Auditor's Report to the Participants on Review of Condensed Interim Financial Statements

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The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 25 February 2020

Karachi

A member firm of Ernst & Young Global Limited

437	Pakistan Pension Fund
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The annexed notes from 1 to 16 form an integral part of these interim financial statements.

my. Savitri

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**Director**

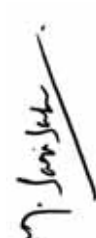


# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31, 2019				Half year ended December 31, 2018			
	Money		Money		Money		Money	
	Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Note	Income							
	Investments at fair value through profit or loss:							
	- Net capital gain / (loss) on sale of investments							
	- Dividend income from investments							
	- Income from Government securities							
	- Income from term finance and sukuk certificates							
	- Income on commercial papers							
	- Net unrealised gain / (loss) on revaluation of investments							
	Profit on bank and term deposits							
	Other income							
Total income								
Expenses								
Remuneration of Pension Fund Manager								
Sindh sales tax on remuneration of Pension Fund Manager								
Remuneration of Central Depository Company Limited - Trustee								
Sales tax on remuneration of trustee								
Annual fee - Securities and Exchange Commission of Pakistan (SECP)								
Auditors' remuneration								
Custody and settlement charges								
Securities transaction cost								
Provision for Sindh Workers' Welfare Fund								
Bank charges								
Total expenses								
Net income / (loss) from operating activities								
Element of income / (loss) and capital gains / (losses) included in the prices of units sold less those in units redeemed - net								
Net income / (loss) for the period before taxation								
Taxation								
Net income / (loss) for the period								

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

**For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)**



Chief Executive Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2019

	Quarter ended December 31, 2019				Quarter ended December 31, 2018			
	sub fund		Total	(Rupees)	sub fund		Total	(Rupees)
	Equity Sub-Fund	Debt Sub-Fund			Equity Sub-Fund	Debt Sub-Fund		
<b>Note</b>								
<b>Income</b>								
Investments at fair value through profit or loss:								
- Net capital gain / (loss) on sale of investments	17,496,998	1,794,924	20,306,931		(5,279,140)	121,476	(5,273,350)	
- Dividend income from investments	11,866,415	-	11,866,415		9,995,821	-	9,995,821	
- Income from Government securities	-	9,558,939	19,574,770		-	4,424,345	6,367,357	
- Income from term finance and sukuk certificates	-	3,626,450	3,626,450		-	3,120,254	3,120,254	
- Income on commercial papers	-	-	-		-	1,063,979	1,258,282	
- Net unrealised gain / (loss) on revaluation of investments	129,643,486	(538,834)	129,073,473		(86,845,757)	665,621	(86,172,717)	
Profit on bank and term deposits	694,628	5,133,008	9,304,734		820,192	4,365,141	7,738,379	
Other income	-	15,099	15,099		-	-	-	
<b>Total income</b>	<b>159,701,527</b>	<b>19,589,586</b>	<b>193,767,872</b>		<b>(81,308,884)</b>	<b>13,760,816</b>	<b>(62,965,974)</b>	
<b>Expenses</b>								
Remuneration of Pension Fund Manager	2,786,601	2,071,761	6,365,473		2,965,118	2,108,124	5,837,875	
Sindh sales tax and Federal Excise Duty on remuneration of Pension Fund Manager	362,258	269,329	827,511		385,466	274,057	758,925	
Remuneration of Central Depository Company Limited - Trustee	240,630	179,162	550,108		261,673	185,632	514,803	
Sales tax on remuneration of trustee	31,281	23,295	71,515		34,017	24,296	67,091	
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	61,850	46,014	141,339		65,823	47,006	129,800	
Auditors' remuneration	68,080	48,785	149,476		54,018	38,451	106,242	
Custody and settlement charges	104,973	91,695	198,363		115,820	91,695	209,210	
Securities transaction cost	572,708	45,986	646,021		382,386	2,408	387,477	
Provision for Sindh Workers' Welfare Fund	2,559,552	310,526	3,124,038		(330,846)	183,050	(147,796)	
Bank charges	6,610	54,663	99,572		2,113	25,313	51,862	
<b>Total expenses</b>	<b>6,794,543</b>	<b>3,141,216</b>	<b>12,173,416</b>		<b>3,935,588</b>	<b>2,980,032</b>	<b>7,915,489</b>	
<b>Net income / (loss) from operating activities</b>	<b>152,906,984</b>	<b>16,448,370</b>	<b>181,594,456</b>		<b>(85,244,472)</b>	<b>10,780,784</b>	<b>(70,881,463)</b>	
Element of (loss) / income and capital (losses) / gains included in the prices of units sold less those in units redeemed - net	930,967	(1,219,601)	(97,191)		(10,942,389)	13,239,642	10,873,269	
<b>Net income / (loss) for the period before taxation</b>	<b>153,837,951</b>	<b>15,228,769</b>	<b>181,497,265</b>		<b>(96,186,861)</b>	<b>24,020,426</b>	<b>(60,008,194)</b>	
Taxation	-	-	-		-	-	-	
<b>Net income / (loss) for the period</b>	<b>153,837,951</b>	<b>15,228,769</b>	<b>181,497,265</b>		<b>(96,186,861)</b>	<b>24,020,426</b>	<b>(60,008,194)</b>	
<b>Earnings / (losses) per unit</b>								

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

**For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)**



**Chief Executive Officer**



**Director**



**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Half year ended December 31, 2019				Half year ended December 31, 2018			
	Money		Money		Money		Money	
	Equity	Debt	Equity	Debt	Equity	Debt	Equity	Debt
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund
	----- (Rupees) -----		----- (Rupees) -----		----- (Rupees) -----		----- (Rupees) -----	
	Total	Total	Total	Total	Total	Total	Total	Total
<b>Net income / (loss) for the period after taxation</b>	125,418,048	38,437,341	23,581,217	187,436,606	(69,414,972)	9,102,802	(6,677,405)	(66,989,575)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>125,418,048</u>	<u>38,437,341</u>	<u>23,581,217</u>	<u>187,436,606</u>	<u>(69,414,972)</u>	<u>9,102,802</u>	<u>(6,677,405)</u>	<u>(66,989,575)</u>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2019**

	Quarter ended December 31, 2019				Quarter ended December 31, 2018			
	Money		Money		Money		Money	
	Equity Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Debt Sub-Fund
	(Rupees)				(Rupees)			
<b>Net income / (loss) for the period after taxation</b>	153,837,951	15,228,769	12,430,545	181,497,265	(96,186,861)	24,020,426	12,158,241	(60,008,194)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<i>Items to be reclassified to profit or loss in subsequent period:</i>								
Unrealised diminution on revaluation of investments classified as fair value through other comprehensive income / available for sale - net	-	-	-	-	-	(310,793)	-	(310,793)
<b>Total comprehensive income / (loss) for the period</b>	<b>153,837,951</b>	<b>15,228,769</b>	<b>12,430,545</b>	<b>181,497,265</b>	<b>(96,186,861)</b>	<b>23,709,633</b>	<b>12,158,241</b>	<b>(60,318,987)</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.



Chief Executive Officer

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)



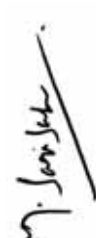
Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Note	Half year ended December 31, 2019				Half year ended December 31, 2018			
	Money		Equity	Debt	Money		Equity	Debt
	Sub-Fund	Market			Sub-Fund	Market		
		(Rupees)		(Rupees)		(Rupees)		(Rupees)
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund
	Total	Total	Total	Total	Total	Total	Total	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income / (loss) for the period	125,418,048	38,437,341	23,581,217	187,436,606	(69,414,972)	9,102,802	(6,677,405)	(66,989,575)
<b>Adjustments for non cash and other items:</b>								
Net capital (gain) / loss on sale of investments at fair value through profit or loss	(11,897,843)	(8,174,783)	(992,233)	(21,064,859)	6,822,249	(178,099)	(95,461)	6,548,689
Unrealised (gain) / loss on revaluation of investments - at fair value through profit or loss - net	(94,034,185)	74,178	46,235	(93,913,772)	93,273,826	7,111	-	93,280,937
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those redeemed:	(3,658,629)	(62,569)	(1,444,982)	(5,166,180)	(17,924,845)	8,936,592	13,243,859	4,255,606
(Increase) / decrease in assets	(109,590,657)	(8,163,174)	(2,390,980)	(120,144,811)	82,171,230	8,765,604	13,148,398	104,085,232
Investments	(29,946,342)	(198,909,026)	945,998	(227,909,370)	(86,699,436)	(52,955,021)	90,167,306	(49,487,151)
Dividend receivable	2,403,375	-	-	2,403,375	(1,156,393)	-	-	(1,156,393)
Interest receivable	(23,769)	(6,302,816)	(43,133)	(6,369,718)	(72,322)	(1,020,778)	(575,463)	(1,668,563)
Receivable against sale of investments	-	-	-	-	(1,599,997)	-	94,964,090	93,364,093
Advance, deposits and other receivables	(22,933)	(2,580)	(5,657)	(31,170)	(2,339)	3	(149,315)	(151,651)
(Increase) / (decrease) in liabilities	(27,589,669)	(205,214,422)	897,208	(231,906,883)	-89,530,487	-53,975,796	184,406,618	40,900,335
Payable to Pension Fund Manager	157,309	61,266	151,385	369,960	2,434,606	2,425,735	1,167,068	6,027,409
Payable to Central Depository Company of Pakistan Limited - Trustee	10,775	3,475	11,906	26,156	1,551	1,956	1,468	4,975
Annual fee - Securities and Exchange Commission of Pakistan	(144,049)	(91,466)	(15,144)	(250,659)	(113,556)	(82,783)	(25,398)	(221,737)
Payable against purchase of investments	-	(99,932,294)	(19,697,380)	(119,629,674)	-	9,062,150	(98,939,900)	(89,877,750)
Payable against redemption of units	2,903,009	736,224	497,419	4,136,652	(2,583,886)	(2,074,093)	(22,097)	(22,097)
Accrued and other liabilities	2,927,044	(99,222,795)	(19,051,814)	(115,347,565)	(261,285)	9,332,965	(1,084,317)	(5,742,296)
Net cash (used in) / generated from operating activities	(8,835,234)	(274,163,050)	3,035,631	(279,962,653)	(77,035,514)	(26,774,425)	91,974,435	(11,835,504)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts from issuance of units	107,488,641	140,530,421	130,614,249	378,633,311	128,306,836	46,398,989	27,969,364	202,675,189
Payments on redemption of units	(137,884,519)	(157,565,594)	(63,689,403)	(359,139,516)	(46,002,804)	(97,053,791)	(63,181,637)	(206,238,232)
Net cash (used in) / generated from financing activities	(30,395,878)	(17,035,173)	66,924,846	19,493,795	82,304,032	(50,654,802)	(35,212,273)	(3,563,043)
<b>Net decrease in cash and cash equivalents</b>	(39,231,112)	(291,198,223)	69,960,477	(260,468,858)	5,268,518	(77,429,227)	56,762,162	(15,398,547)
Cash and cash equivalents at beginning of the period	52,881,100	638,079,528	337,128,265	1,028,088,893	10,995,483	446,504,324	146,108,625	603,608,432
Cash and cash equivalents at end of the period	13,649,988	346,881,305	407,088,742	767,620,035	16,284,001	369,075,097	202,870,787	588,209,885

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31, 2019				Half year ended December 31, 2018			
	Money		Money		Money		Money	
	Equity	Debt	Equity	Debt	Equity	Debt	Equity	Debt
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund
	(Rupees)		(Rupees)		(Rupees)		(Rupees)	
	Total		Total		Total		Total	
<b>Net assets at the beginning of the period</b>	721,453,617	520,529,626	317,016,417	1,558,999,660	742,090,399	590,357,130	239,702,930	1,572,150,459
Amount received on issuance of units	107,488,641	140,530,421	130,614,249	378,633,311	128,306,836	46,398,989	27,969,364	202,675,189
Amount paid on redemption of units	(137,884,519)	(157,565,594)	(63,689,403)	(359,139,516)	(46,002,804)	(97,053,791)	(63,181,637)	(206,238,232)
	(30,395,878)	(17,035,173)	66,924,846	19,493,795	82,304,032	(50,654,802)	(35,212,273)	(3,563,043)
Element of (loss) / income and capital gains / (losses) included in prices of units issued less those in units redeemed - net	(3,658,629)	(62,569)	(1,444,982)	(5,166,180)	(17,924,845)	8,936,592	13,243,859	4,255,606
Net income / (loss) for the period	125,418,048	38,437,341	23,581,217	187,436,606	(69,414,972)	9,102,802	(6,677,405)	(66,989,575)
<b>Net assets at the end of the period</b>	<b>812,817,158</b>	<b>541,869,225</b>	<b>406,077,498</b>	<b>1,760,763,881</b>	<b>737,054,614</b>	<b>557,741,722</b>	<b>211,057,111</b>	<b>1,505,853,447</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)



Chief Executive Officer



Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The Pakistan Pension Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as Pension Fund Manager and Muslim Commercial Financial Services (Private) Limited (MCFSL) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 24, 2007 and was executed on June 04, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). Habib Metropolitan Bank Limited (HMBL) was appointed as the new Trustee in place of MCFSL through a revised Trust Deed dated June 16, 2011 which was approved by SECP on July 07, 2011. Central Depository Company of Pakistan Limited was appointed as the new Trustee in place of HMBL through a revised Trust Deed dated July 21, 2014 which was approved by SECP on July 23, 2014.
- 1.2** The Fund is an open-end pension fund consisting of three sub-funds namely; Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund. Units are offered for public subscription on a continuous basis. The number of units of any sub-fund purchased out of contributions depends on the Allocation Scheme selected by the respective Participant out of the allocation schemes offered by the Pension Fund Manager.
- 1.3** MCB-Arif Habib Savings and Investments Limited has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Management Company has been changed from 24th Floor, Centrepoin, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi, Pakistan to Adamjee House, MCB-AH Savings, 2nd Floor, I.I Chundrigar Rd, Karachi, Pakistan.
- 1.4** The Pakistan Credit Rating Agency (PACRA) has assigned Management quality rating of "AM2++" dated April 08, 2019 to the Management Company.
- 1.5** Title to the assets of the Fund is held in the name of Central Depository Company Limited as Trustee of the Fund.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These condensed interim financial statements of the Fund have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- the requirements of the Trust Deed, voluntary pension system Rules, 2005 (VPS Rules) and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the VPS Rules or the directives issued by the SECP differ with the requirements of IAS 34. The requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

- 2.2** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2019.
- 2.3** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2019 and December 31, 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.
- 2.4** These condensed interim financial statements are presented in Pakistani Rupee, which is the functional and presentation currency of the Fund.

## 3. ACCOUNTING POLICIES AND ESTIMATES

- 3.1** The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

### 3.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following standards and amendment to IFRSs which became effective for the current period:

IFRS 3 Business Combinations: Previously held interests in a joint operation

IFRS 9 Prepayment Features with Negative Compensation (Amendments)

IFRS 11 Joint Arrangements: Previously held interests in a joint operation

IFRS 16 Leases

IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these interim financial statements.

- 3.3** The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2019.

### 4. BALANCES WITH BANKS

These are the saving accounts and carry interest at the rates ranging from 11.25% to 14.45% (June 30, 2019: 10.00% to 13.50%) per annum. These include balances of Rs.2,311,194 (June 30, 2019: Rs.311,449) and Rs.7,732 (June 30, 2019: Rs.7,552) held with MCB Bank Limited and MCB Islamic Bank Limited respectively, related parties.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

December 31, 2019 (Un-audited)					
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		----- (Rupees) -----			
<b>5. INVESTMENTS</b>					
<b>At fair value through profit or loss</b>					
Listed equity securities	5.1	806,366,549	-	-	806,366,549
Government securities	5.2	-	227,000,938	243,658,937	470,659,875
Debt securities - Term Finance Certificates / Sukuks	5.3	-	93,444,487	-	93,444,487
Commercial Paper	5.4	-	-	-	-
Term deposit receipt	5.5	-	-	-	-
		806,366,549	320,445,425	243,658,937	1,370,470,911
<b>June 30, 2019 (Audited)</b>					
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		----- (Rupees) -----			
<b>At fair value through profit or loss</b>					
Listed equity securities		670,488,179	-	-	670,488,179
Government securities		-	226,509,343	29,546,480	256,055,823
Debt securities - Term Finance Certificates / Sukuks		-	98,655,613	-	98,655,613
Commercial Paper		-	39,234,413	9,808,628	49,043,041
Term deposit receipt		-	-	109,000,000	109,000,000
		670,488,179	364,399,369	148,355,108	1,183,242,656

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

## 5.1 Listed equity securities - at fair value through profit or loss

### Equity Sub-Fund

Name of the Investee Company	Note	Number of shares				Balance as at December 31, 2019				Market value as a % of net assets of the sub-fund	Market value as a % of the paid up capital of the investee company
		As at July 01, 2019	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2019	Carrying Value	Market value	Unrealised gain / (loss)		
Shares of listed companies - fully paid ordinary shares of Rs. 10 each unless stated otherwise											
<b>Automobile assembler</b>											
Atlas Honda Limited	13,800	-	-	-	13,800	-	-	-	-	0.00%	0.00%
Millat Tractors Limited	-	10,700	-	-	-	10,700	7,405,745	7,537,294	131,549	0.93%	1.51%
							<b>7,405,745</b>	<b>7,537,294</b>	<b>131,549</b>	<b>0.93%</b>	<b>1.51%</b>
<b>Automobile parts and accessories</b>											
Agniauto Industries Limited	12,000	-	-	-	-	12,000	2,399,520	2,400,000	480	0.30%	1.67%
The General Tyre and Rubber Limited	170	-	-	-	170	-	-	-	-	0.00%	0.00%
Company of Pakistan Limited	13,780	-	-	-	13,780	-	-	-	-	0.00%	0.00%
Atlas Battery Limited	-	45,000	-	-	-	45,000	14,876,350	15,220,350	344,000	1.87%	3.76%
Thal Limited	-	-	-	-	-	-	<b>17,275,870</b>	<b>17,620,350</b>	<b>344,480</b>	<b>2.17%</b>	<b>5.43%</b>
<b>Cable and electrical goods</b>											
Pak Elektron Limited	325,000	-	300,000	-	325,000	300,000	7,821,180	8,121,000	299,820	1.00%	0.16%
<b>Cement</b>											
Kohat Cement Company Limited	125,710	-	-	-	-	125,710	6,603,546	9,729,954	3,126,408	1.20%	0.48%
Lucky Cement Limited	46,300	103,000	-	-	46,300	103,000	39,407,203	44,125,200	4,717,997	5.43%	1.36%
Maple Leaf Cement Factory Limited	250,000	750,000	340,000	-	250,001	1,089,999	16,999,406	25,222,577	8,223,171	3.10%	0.42%
Bestway Cement Limited	-	39,100	-	-	-	39,100	4,233,741	4,437,850	204,109	0.55%	0.00%
							<b>67,243,896</b>	<b>83,515,581</b>	<b>16,271,685</b>	<b>10.28%</b>	<b>2.26%</b>
<b>Chemical</b>											
Dynea Pakistan Limited	7,000	-	-	-	7,000	-	-	-	-	0.00%	0.00%
Engro Polymer & Chemicals Limited	487,214	-	-	-	-	487,214	13,135,289	16,180,377	3,045,088	1.99%	0.18%
Archroma Pakistan Limited	10,500	-	-	-	-	10,500	4,989,075	6,457,500	1,468,425	0.79%	1.89%
Biafo Industries Limited	97	-	19	-	-	116	15,569	20,345	4,776	0.00%	0.01%
Lotte Chemicals Pakistan Limited	480,000	-	-	-	480,000	-	-	-	-	0.00%	0.00%
							<b>18,139,933</b>	<b>22,658,222</b>	<b>4,518,289</b>	<b>2.78%</b>	<b>2.08%</b>
<b>Commercial banks</b>											
Meezan Bank Limited	24	-	-	-	24	-	-	-	-	0.00%	0.00%
Allied Bank Limited	200,000	20,000	-	-	-	220,000	22,878,000	21,032,000	(1,846,000)	2.59%	0.18%
Askari Bank Limited	871,500	-	-	-	70,000	801,500	15,156,365	14,859,810	(296,555)	1.83%	0.12%
Bank Alfalah Limited	1,207,250	-	-	-	237,500	969,750	42,271,403	44,317,575	2,046,172	5.45%	0.25%
Bank AL Habib Limited	382,000	349,000	-	-	-	731,000	54,922,296	55,672,960	750,664	6.85%	0.50%
Faysal Bank Limited	464,900	-	-	-	-	464,900	10,004,648	8,842,398	(1,162,250)	1.09%	0.06%
Habib Bank Limited	60,000	100,000	-	-	60,000	100,000	14,299,010	15,742,000	1,442,990	1.94%	0.11%
Habib Metropolitan Bank Limited	200,000	-	-	-	-	200,000	7,216,000	7,270,000	54,000	0.89%	0.07%
United Bank Limited	163,900	150,000	-	-	63,900	250,900	35,508,873	41,273,050	5,764,177	5.08%	0.34%
							<b>202,256,595</b>	<b>209,009,793</b>	<b>6,753,198</b>	<b>25.72%</b>	<b>1.63%</b>



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Name of the Investee Company	Note	Number of shares				Balance as at December 31, 2019			Market value as a % of net assets of the sub-fund	Market value as a % of the paid up capital of the investee company
			As at July 01, 2019	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2019	Carrying Value	Market value (Rupees)		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
Engineering											(%)
	International Industries Limited		63,200	-	6,320	63,000	6,520	456,815	722,677	265,862	0.09%
Glass & Ceramics											
	Tariq Glass Industries Limited		58,500	-	-	58,500	-	-	-	-	0.00%
Fertilizer											
	Engro Corporation Limited		113,520	50,000	-	49,100	114,420	33,962,442	39,503,505	5,541,063	4.86%
	Engro Fertilizer Limited		614,000	-	-	614,000	-	-	-	-	0.00%
	Fauji Fertilizer Company Limited		364,000	75,000	-	80,000	359,000	32,376,738	36,427,730	4,050,992	4.48%
								66,339,180	75,931,235	9,592,055	9.34%
Food and personal care products											
	National Foods Limited		67,200	-	13,440	-	80,640	12,375,552	17,902,886	5,527,334	2.20%
	Shehzan International Limited		13,255	-	-	-	13,255	5,599,799	6,633,181	1,033,382	0.82%
								17,975,351	24,536,067	6,560,716	3.02%
Leather and tanneries											
	Bata Pakistan Limited		4,380	-	-	-	4,380	6,045,758	8,729,603	2,683,845	1.07%
	Service Industries Limited		12,375	-	3,093	-	15,468	6,104,834	12,015,852	5,911,018	1.48%
								12,150,592	20,745,455	8,594,863	2.55%
Miscellaneous											
	Shifa International Hospitals Limited		3	-	-	3	-	-	-	-	0.00%
Oil and gas exploration companies											
	Oil & Gas Development Company Limited	5.1.1	431,900	-	-	-	431,900	56,790,531	61,468,008	4,677,477	7.56%
	Pakistan Oilfields Limited		82,540	32,000	-	-	114,540	46,426,704	51,167,309	4,740,605	6.30%
	Pakistan Petroleum Limited		385,046	-	77,009	40,000	422,055	50,797,865	57,880,623	7,082,758	7.12%
	Mari Petroleum Company Limited		2	6,120	-	2	6,120	7,995,426	8,017,812	22,386	0.99%
								162,010,526	178,533,752	16,523,226	21.97%
Oil and gas marketing companies											
	Shell Pakistan Limited		13,000	-	-	13,000	-	-	-	-	0.00%
	Sui Northern Gas Pipelines Limited		246,700	133,500	-	-	380,200	26,944,622	28,959,834	2,015,212	3.56%
	Pakistan State Oil Company Limited		62,300	-	-	62,300	-	-	-	-	0.00%
	Attock Petroleum Limited			22,000	-	-	22,000	6,807,423	8,135,600	1,328,177	1.00%
								33,752,045	37,095,434	3,343,389	4.56%
Paper and board											
	Century Paper & Board Mills Limited		167,000	-	-	9,000	158,000	4,921,704	8,007,440	3,085,736	0.99%
	Cherat Packaging Limited		86	-	-	86	-	-	-	-	0.00%
	Security Papers Limited		33	35,000	-	33	35,000	4,155,575	4,007,500	(148,075)	0.49%
								9,077,279	12,014,940	2,937,661	1.48%
Pharmaceuticals											
	AGP Limited		45	-	-	45	-	-	-	-	0.00%
	IBL HealthCare Limited		8,145	-	-	7,050	1,095	36,683	81,906	45,223	0.01%
	The Searle Company Limited		231	-	-	87	144	21,105	27,179	6,074	0.00%
	Abbott Laboratories (Pakistan) Limited			28,600	-	-	28,600	11,266,756	12,777,908	1,511,152	1.57%
								11,324,544	12,886,993	1,562,449	1.58%
											1.33%

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Name of the Investee Company	Note	Number of shares				Balance as at December 31, 2019			Market value as a % of net assets of the sub-fund	Market value as a % of the paid up capital of the investee company
		As at July 01, 2019	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2019	Carrying Value	Market value (Rupees)		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Power generation and distribution										
The Hub Power Company Limited	5.1.1	682,002	-	-	405,000	277,002	21,813,908	25,858,137	4,044,229	3.18%
		10,500	-	-	10,500	-	-	-	-	0.00%
Altren Energy Limited							21,813,908	25,858,137	4,044,229	3.18%
Refinery										
Attock Refinery Limited		125	-	-	125	-	-	-	-	0.00%
Sugar and allied industries										
Faran Sugar Mills Limited		38,000	-	-	-	38,000	1,542,800	2,884,580	1,341,780	0.35%
Technology and communication										
Hum Network Limited (Par value of Re.1)		925,000	-	-	-	925,000	2,932,250	2,969,250	37,000	0.37%
Systems Limited		208,951	-	-	56,000	152,951	14,678,612	19,011,685	4,333,073	2.34%
Avanceon Limited		5,156	-	-	1	5,155	252,801	193,570 (59,231)	(59,231)	0.02%
							17,863,663	22,174,505	4,310,842	2.73%
Textile composite										
Kohinoor Textile Mills Limited		190,800	-	-	-	190,800	4,779,540	7,454,566	2,675,016	0.92%
Gul Ahmad Textile Limited		544,500	172,000	143,300	-	859,800	33,102,902	37,063,978	3,963,076	4.56%
							37,882,442	44,520,534	6,638,092	5.48%
Total as at December 31, 2019 (Un-audited)										
							712,332,364	806,366,549	94,034,185	
Total as at June 30, 2019 (Audited)							805,765,784	670,488,179	(135,277,605)	

\* These have a face value of Rs.5 per share.

5.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as security against settlement of the Sub-Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	(Un-audited)		(Audited)		(Un-audited)		(Audited)	
	December 31, 2019	----- (Number of shares) -----	June 30, 2019	----- (Rupees) -----	December 31, 2019	----- (Number of shares) -----	June 30, 2019	----- (Rupees) -----
Oil & Gas Development Company Limited	100,000		100,000		14,232,000		13,149,000	
The Hub Power Company Limited	110,995		110,995		10,361,383		8,740,856	
	<b>210,995</b>		<b>210,995</b>		<b>24,593,383</b>		<b>21,889,856</b>	

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

## 5.2 Government securities - at fair value through profit or loss

### Debt Sub-Fund

Name of security	Issue date	Face value			Balance as at December 31, 2019			Market value as % of net assets of sub-funds
		As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at December 31, 2019	Carrying Value	Unrealised (loss) / gain	
Pakistan Investment Bonds								
Pakistan Investment Bonds - 3 years	19-Sep-19	-	250,000,000	150,000,000	100,000,000	93,868,519	(185,619)	17.29%
	12-Jul-18	-	700,000,000	700,000,000	-	-	-	0.00%
Pakistan Investment Bonds - 5 years	19-Sep-19	-	250,000,000	125,000,000	125,000,000	118,237,750	(16,750)	21.82%
	12-Jul-18	-	453,000,000	453,000,000	-	-	-	0.00%
Pakistan Investment Bonds - 10 years	19-Sep-2019	-	50,000,000	50,000,000	-	-	-	0.00%
	12-Jul-2018	-	37,500,000	37,500,000	-	-	-	0.00%
Pakistan Investment Bonds - 15 years	31-Oct-2006	3,500,000	-	-	3,500,000	3,298,515	73,546	0.62%
Pakistan investment bonds - 20 years	10-Jun-2004	1,900,000	-	-	1,900,000	1,668,415	161,624	0.34%
						217,073,199	217,106,000	40.07%
Treasury Bills								
Market Treasury Bills - 3 months	23-May-2019	225,000,000	-	225,000,000	-	-	-	0.00%
	18-Jul-2019	-	470,000,000	470,000,000	-	-	-	0.00%
	1-Aug-2019	-	600,000,000	600,000,000	-	-	-	0.00%
	16-Aug-2019	-	230,000,000	230,000,000	-	-	-	0.00%
	24-Oct-2019	-	500,000,000	500,000,000	-	-	-	0.00%
	7-Nov-2019	-	425,000,000	415,000,000	10,000,000	9,898,716	(3,778)	1.83%
Market Treasury Bills - 6 months	18-Jul-2019	-	200,000,000	200,000,000	-	-	-	0.00%
	10-Oct-2019	-	500,000,000	500,000,000	-	-	-	0.00%
	24-Oct-2019	-	500,000,000	500,000,000	-	-	-	0.00%
	7-Nov-2019	-	425,000,000	425,000,000	-	-	-	0.00%
Market Treasury Bills - 12 months	16-Aug-2019	-	250,000,000	250,000,000	-	-	-	0.00%
	29-Aug-2019	-	250,000,000	250,000,000	-	-	-	0.00%
	12-Sep-2019	-	250,000,000	250,000,000	-	-	-	0.00%
	26-Sep-2019	-	500,000,000	500,000,000	-	-	-	0.00%
	10-Oct-2019	-	925,000,000	925,000,000	-	-	-	0.00%
	24-Oct-2019	-	450,000,000	450,000,000	-	-	-	0.00%
	7-Nov-2019	-	425,000,000	425,000,000	-	-	-	0.00%
						9,898,716	9,894,938	1.83%
Total as at December 31, 2019 (Un-audited)						226,971,915	227,000,938	29,023
Total as at June 30, 2019 (Audited)						227,073,234	226,509,343	(563,891)

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

## Money Market Sub-Fund

Name of security	Issue Date	Face value			Balance as at December 31, 2019			Market value as % of net assets of sub-funds	
		As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at December 31, 2019	Carrying Value	Market value		
(Rupees)									
Treasury Bills									
Market Treasury Bills - 3 months	23-May-2019	30,000,000	-	30,000,000	-	-	-	0.00%	
	18-Jul-2019	-	230,000,000	230,000,000	-	-	-	0.00%	
	1-Aug-2019	-	230,000,000	230,000,000	-	-	-	0.00%	
	10-Oct-2019	-	700,000,000	700,000,000	-	-	-	0.00%	
	24-Oct-2019	-	1,400,000,000	1,155,000,000	245,000,000	243,705,172	243,658,937	(46,235)	60.00%
	7-Nov-2019	-	400,000,000	400,000,000	-	-	-	0.00%	
Market Treasury Bills - 6 months	10-Oct-2019	-	100,000,000	100,000,000	-	-	-	0.00%	
	14-Oct-2019	-	500,000,000	500,000,000	-	-	-	0.00%	
	24-Oct-2019	-	1,000,000,000	1,000,000,000	-	-	-	0.00%	
	7-Nov-2019	-	400,000,000	400,000,000	-	-	-	0.00%	
Total as at December 31, 2019 (Un-audited)						243,705,172	243,658,937	(46,235)	
Total as at June 30, 2019 (Audited)						29,548,173	29,546,480	(1,693)	

## 5.3 Debt securities - Term finance certificates / Sukuks - at fair value through profit or loss

### Debt Sub-Fund

Name of security	Issue date	Number of certificates				Balance as at December 31, 2019		Market value as % of net assets of sub-funds
		As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019 (Rupees)	Carrying Value	Market value	
Term finance certificates								
Bank Alfalah Limited	20-Feb-13	3,000	-	-	3,000	14,961,000	14,961,000	2.76%
Habib Bank Limited	19-Feb-16	150	-	-	150	14,742,798	14,443,346	2.67%
The Bank of Punjab	23-Dec-16	50	-	-	50	4,945,398	4,913,498	0.91%
Askari Bank Limited	30-Sep-14	5,003	-	-	5,003	24,317,254	24,402,460	4.50%
Jahangir Siddiqui & Co. Ltd.	18-Jul-17	5,000	-	-	5,000	18,570,869	18,693,850	3.45%
Sukuks								
Aspin Pharma (Private) Limited	30-Nov-17	130	-	-	130	10,269,314	10,285,309	1.90%
Dawood Hercules Corporation Limited	16-Nov-17	72	-	-	72	5,741,055	5,745,024	1.06%
Total as at December 31, 2019 (Un-audited)						93,547,688	93,444,487	(103,201)
Total as at June 30, 2019 (Audited)						99,792,626	98,655,613	(1,137,013)

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

5.3.1 Significant terms and conditions of term finance certificates / sukuk outstanding at the period end are as follows:

Name of security	Number of certificates	Face / redemption value (Rupees)		Interest rate per annum	Maturity	Secured / unsecured	Rating
		Per certificate	Total				
<b>Un-listed</b>							
Bank Alfalah Limited	3,000	4,987	14,961,000	6M KIBOR + 1.25%	20-Feb-21	Unsecured	AA
Habib Bank Limited	150	99,860	14,979,000	6M KIBOR + 0.50%	19-Feb-26	Unsecured	AAA
The Bank of Punjab Limited	50	99,880	4,994,000	6M KIBOR + 1.00%	23-Dec-26	Unsecured	AA-
Aspin Pharma (Private) Limited	130	80,000	10,400,000	3M KIBOR + 1.50%	30-Nov-23	Secured	A
<b>Listed</b>							
Askani Bank Limited	5,003	4,990	24,964,970	6M KIBOR + 1.20%	30-Sep-24	Unsecured	AA-
Jahangir Siddiqui & Co. Ltd.	5,000	3,750	18,750,000	6M KIBOR + 1.40%	18-Jul-22	Secured	AA+
Dawood Hercules Corporation Limited	72	80,000	5,760,000	3M KIBOR + 1.00%	16-Nov-22	Secured	AA

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

<b>December 31,</b>	<b>June 30,</b>
<b>2019</b>	<b>2019</b>
<b>(Un-audited)</b>	<b>(Audited)</b>
<b>----- (Rupees) -----</b>	

## 5.4 Commercial paper - at fair value through profit or loss

### Debt Sub-Fund

K-Electric Limited	-	39,234,413
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### Money Market Sub-Fund

K-Electric Limited	-	9,808,628
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## 5.5 Term Deposit Receipts - at fair value through profit or loss

### Money Market Sub-Fund

				Face value					
Name of the investee company	Maturity	Rating	Rate of return per annum	As at July 01, 2019	Purchased during the year	Matured during the year	As at December 31, 2019	Face value as percentage of net assets	Face value as percentage of total investment
				(Rupees)				----- (%) -----	
Soneri Bank Limited	1-Aug-19	AA-/A1+	13.20%	49,000,000	-	49,000,000	-	0.00%	0.00%
JS Bank Limited	1-Aug-19	AA-/A1+	13.95%	60,000,000	-	60,000,000	-	0.00%	0.00%
<b>Total as at December 31, 2019 (Un-audited)</b>				<b>109,000,000</b>	<b>-</b>	<b>109,000,000</b>	<b>-</b>		
<b>Total as at June 30, 2019 (Audited)</b>				<b>-</b>	<b>109,000,000</b>	<b>-</b>	<b>109,000,000</b>		

## 6. ACCRUED EXPENSES AND OTHER LIABILITIES Note

				December 31, 2019 (Un-audited)			
				Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
				(Rupees)			
Provision for Sindh Workers' Welfare Fund	6.1			6,326,176	3,023,212	1,163,143	10,512,531
Provision for Federal Excise Duty on remuneration of Pension Fund Manager	6.2			2,420,238	2,404,933	1,151,294	5,976,465
Brokerage payable				522,123	3,715	318	526,156
Withholding tax payable				181,941	120,469	25,980	328,390
Auditors' remuneration				96,047	75,946	52,566	224,559
Payable against redemption of units				-	-	22,098	22,098
Others				-	650	-	650
				<b>9,546,525</b>	<b>5,628,925</b>	<b>2,415,399</b>	<b>17,590,849</b>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	June 30, 2019 (Audited)			
	Equity	Debt	Money	Total
	Sub-Fund	Sub-Fund	Market Sub-Fund	
	(Rupees)			
Provision for Sindh Workers' Welfare Fund	3,766,624	2,238,776	681,893	6,687,293
Provision for Federal Excise Duty on remuneration of Pension Fund Manager	2,420,238	2,404,933	1,151,294	5,976,465
Brokerage payable	119,050	20,101	685	139,836
Withholding tax payable	189,353	122,528	25,974	337,855
Auditors' remuneration	148,251	85,713	36,036	270,000
Payable against redemption of units	-	-	22,098	22,098
Others	-	20,650	-	20,650
	6,643,516	4,892,701	1,917,980	13,454,197

## 6.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in note 12.1 to the annual financial statements of the Fund for the year ended June 30, 2019. Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.3.98 per unit in respect of Equity Sub-Fund, Rs.1.54 per unit in respect of Debt Sub-Fund and Re.0.72 per unit in respect of Money Market Sub-Fund as at December 31, 2019 (June 30, 2019: Rs.2.26 per unit in respect of Equity Sub-Fund, Re.0.83 per unit in respect of Debt Sub-Fund and Re.0.36 per unit in respect of Money Market Sub-Fund).

## 6.2 Provision for Federal Excise Duty on remuneration of Pension Fund Manager

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 12.2 to the annual financial statements. Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.1.52 (June 30, 2019: Rs.1.45) per unit in respect of Equity Sub-Fund, Rs.1.23 (June 30, 2019: Rs.1.19) per unit in respect of Debt Sub-Fund, Re.0.71 (June 30, 2019: Re.0.86) per unit in respect of Money Market Sub-Fund as at December 31, 2019.

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 (June 30, 2019: Nil).

## 8. TAXATION

The income of Pakistan Pension Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further through Finance Act, 2011, effective from July 01, 2011, pension funds are included in the list of entities on which the provisions of section 113 regarding minimum tax shall not apply.

## 9. CONTRIBUTION TABLE

	December 31, 2019 (Un-audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Issuance of units	244,773	107,488,641	532,587	140,530,421	539,883	130,614,249	1,317,243	378,633,311
Redemption of units	(326,047)	(137,884,519)	(593,402)	(157,565,594)	(261,010)	(63,689,403)	(1,180,459)	(359,139,516)
	December 31, 2018 (Un-audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Issuance of units	253,668	128,306,836	191,152	46,398,989	124,886	27,969,364	569,706	202,675,189
Redemption of units	(91,375)	(46,002,804)	(400,774)	(97,053,791)	(285,660)	(63,181,637)	(777,809)	(206,238,232)

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

December 31, 2019 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	----- (Number of units) -----		
<b>10. NUMBER OF UNITS IN ISSUE</b>			
Total units outstanding at beginning of the period	1,668,870	2,022,000	1,339,095
Units issued during the period	244,773	532,587	539,883
Units redeemed during the period	(326,047)	(593,402)	(261,010)
Total units in issue at end of the period	1,587,596	1,961,185	1,617,968
June 30, 2019 (Audited)			
	----- (Number of units) -----		
Total units outstanding at the beginning of the year	1,449,822	2,463,260	1,092,414
Units issued during the year	551,523	702,778	921,121
Units redeemed during the year	(332,475)	(1,144,038)	(674,440)
Total units in issue at the end of the year	1,668,870	2,022,000	1,339,095

## 11. EARNINGS / (LOSSES) PER UNIT

Earnings / (losses) per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

December 31, 2019 (Un-audited)					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	June 30, 2019 (Audited)
	----- (Rupees) -----				
<b>12. CASH AND CASH EQUIVALENTS</b>					
Balances with banks - savings accounts	13,649,988	336,986,367	163,429,805	514,066,160	618,875,272
Treasury Bill maturing within 3 months	-	9,894,938	243,658,937	253,553,875	251,170,580
Term deposit receipts	-	-	-	-	109,000,000
Commercial papers	-	-	-	-	49,043,041
	13,649,988	346,881,305	407,088,742	767,620,035	1,028,088,893

## 13. TRANSACTIONS WITH CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provision of the VPS Rules and constitutive documents of the Fund respectively.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these interim financial statements, are as follows:

## 13.1 Transactions during the period

	Half year ended December 31, 2019 (Un-audited)				Half year ended
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	December 31, 2018 (Un-audited)
	----- (Rupees) -----				
<b>MCB Arif Habib Savings and Investments Limited - Pension Fund Manager</b>					
Remuneration (including indirect taxes)	5,888,647	4,630,128	3,214,453	13,733,228	13,244,018
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration (include indirect taxes)	514,021	404,787	280,859	1,199,667	1,167,784
Settlement charges	19,611	3,390	3,390	26,391	40,047
<b>Group / Associated companies</b>					
<b>MCB Bank Limited</b>					
Mark-up earned	29,368	59,822	33,764	122,954	46,702
Bank charges	3,891	4,334	433	8,658	4,856
<b>MCB Islamic Bank Limited</b>					
Mark-up earned	-	200	-	200	-
Bank charges	-	-	-	-	-
<b>Arif Habib Limited - Brokerage House</b>					
Brokerage expense*	46,695	1,350	325	48,370	7,616
<b>Next Capital Limited - Brokerage House</b>					
Brokerage expense*	6,210	-	-	6,210	104,082

## 13.2 Balances outstanding at period end:

	December 31, 2019 (Un-audited)				June 30, 2019
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	(Audited)
	----- (Rupees) -----				
<b>MCB Arif Habib Savings and Investments Limited - Pension Fund Manager</b>					
Remuneration payable	1,042,243	690,749	511,485	2,244,477	1,917,078
Sindh sales tax payable on remuneration	135,488	89,798	66,494	291,780	249,219
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration payable	89,377	59,180	43,884	192,441	169,308
Sindh sales tax payable on remuneration	11,630	7,847	5,682	25,159	22,136
Security deposit	200,000	200,000	200,000	600,000	600,000

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Group / Associated companies	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)
	Equity	Debt	Money	Total	
	Sub-Fund	Sub-Fund	Market		
	Sub-Fund (Rupees)				
<b>MCB Bank Limited</b>					
Bank Balance	627,249	824,940	859,005	2,311,194	311,449
Profit Receivable	34	-	-	34	34
<b>Silk Bank</b>					
Bank balance	-	-	-	-	100,028,054
Profit receivable	-	-	-	-	196,386
<b>MCB Islamic Bank Limited</b>					
Bank Balance	-	7,732	-	7,732	7,552
<b>Arif Habib Limited - Brokerage House</b>					
Brokerage payable*	46,694	-	-	46,694	28,481
<b>Next Capital Limited - Brokerage House</b>					
Brokerage payable*	6,210	-	-	6,210	-

\* The amount disclosed represents the amount of brokerage paid / payable to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter-parties are not connected persons.

## 13.3 Unit Holders' Fund

FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (Un-audited)								
As at July 01, 2019	Issued for cash	Redeemed	As at December 31, 2019	As at July 01, 2019	Issued for cash	Redeemed	As at December 31, 2019	
----- (Units) -----				----- (Rupees) -----				
<b>MCB Arif Habib Savings and Investments Limited - Pension Fund Manager *</b>								
- Pakistan Pension Fund - Equity	252,196	-	-	252,196	109,024,331	-	-	129,119,308
- Pakistan Pension Fund - Debt	253,109	-	-	253,109	65,157,850	-	-	69,934,017
- Pakistan Pension Fund - Money Market	300,000	-	-	300,000	71,022,000	-	-	75,294,000
<b>Key management personnel</b>								
- Pakistan Pension Fund - Equity	4,358	2,949	3,976	3,331	3,328,710	1,398	1,965	1,705,405
- Pakistan Pension Fund - Debt	664	3,123	191	3,596	587,198	852,599	49,624	993,575
- Pakistan Pension Fund - Money Market	45	834	52	827	10,653	207,054	12,411	207,560

FOR THE HALF YEAR ENDED DECEMBER 31, 2018 (Un-audited)								
	As at July 01, 2018	Issued for cash	Redeemed	As at December 31, 2018	As at July 01, 2018	Issued for cash	Redeemed	As at December 31, 2018
	----- (Units) -----				----- (Rupees) -----			
<b>MCB Arif Habib Savings and Investments Limited - Pension Fund Manager</b>								
- Pakistan Pension Fund - Equity	252,196	-	-	252,196	129,086,523	-	-	115,304,011
- Pakistan Pension Fund - Debt	253,109	-	-	253,109	60,662,634	-	-	62,641,946
- Pakistan Pension Fund - Money Market	300,000	-	-	300,000	65,826,000	-	-	67,962,000
<b>Key management personnel</b>								
- Pakistan Pension Fund - Equity	14,449	3,072	11,110	6,411	7,183,815	1,440	5,085	2,931,109
- Pakistan Pension Fund - Debt	3,950	663	1,782	2,831	772,456	162	441	700,644
- Pakistan Pension Fund - Money Market	199	82	-	281	45	18	-	63,658

\* The unit holder also holds 10% or more of the units in the Plan.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

## 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

**Level 1:** quoted prices in active markets for identical assets or liabilities;

**Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

**Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2019 and June 30, 2019, the Fund held the following instruments measured at fair values:

<b>December 31, 2019 (Un-audited)</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
		-----	-----	(Rupees) -----	-----
<b>Equity Sub-Fund</b>					
Listed equity securities		806,366,549	-	-	806,366,549
<b>Debt Sub-Fund</b>					
Government Securities -					
Pakistan Investment Bonds	14.1.1	-	217,106,000	-	217,106,000
Government Securities - Treasury Bills	14.1.1	-	9,894,938	-	9,894,938
Term Finance Certificates / Sukuks	14.1.2	-	93,444,487	-	93,444,487
<b>Money Market Sub-Fund</b>					
Government Securities - Treasury Bills		-	243,658,937	-	243,658,937
		806,366,549	564,104,362	-	1,370,470,911
<b>June 30, 2019 (Audited)</b>					
<b>Equity Sub-Fund</b>					
Listed equity securities		670,488,179	-	-	670,488,179
<b>Debt Sub-Fund</b>					
Government Securities -					
Pakistan Investment Bonds		-	4,885,243	-	4,885,243
Government Securities - Treasury Bills		-	221,624,100	-	221,624,100
Term Finance Certificates / Sukuks		-	98,655,613	-	98,655,613
Commercial paper		-	-	39,234,413	39,234,413
<b>Money Market Sub-Fund</b>					
Government Securities - Treasury bills		-	29,546,480	-	29,546,480
Commercial paper		-	-	9,808,628	9,808,628
Term deposit receipt		-	-	109,000,000	109,000,000
		670,488,179	354,711,436	158,043,041	1,183,242,656

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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During the period ended December 31, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

### 14.1 Valuation techniques used in determination of fair values within level 2

14.1.1 Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).

14.1.2 Investments in Term Finance Certificates and Sukuks issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

14.2 The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

### 15. GENERAL

15.1 Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

15.2 Certain prior year's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are material re-arrangements / re-classifications to report.

### 16. DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorised for issue on February 21, 2020 by the Board of Directors of the Pension Fund Manager.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)



Chief Executive Officer



Director



## MCB-Arif Habib Savings and Investments Limited

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